

**Report to the Joint Legislative Oversight Committee
On Mental Health, Developmental Disabilities and
Substance Abuse Services**

**Number and Geographic Distribution of CAP-MR/DD Slots
by Local Management Entity
And
Plan for Equitably Distributing CAP-MR/DD Slots**

**SL 2009-0451
Section 10.65A(d and e)**

**Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and
Substance Abuse Services**

October 1, 2009

Session Law 2009-451 Section 10.65A(d) requires the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services to report on the distribution of Community Alternatives Program for individuals with developmental disabilities (CAP-MR/DD) slots by Local Management Entity (LME). Section 10.65A(e) of the same law requires the Division to develop a plan to equitably distribute slots for the program.

The CAP-MR/DD programs are 1915(c) Home and Community Based Waivers approved by the Centers for Medicare and Medicaid Services (CMS). North Carolina currently operates three (3) such waivers: the Piedmont Innovations Waiver which serves the five (5) counties of the Piedmont Behavioral Health (PBH) catchment area (Cabarrus, Davidson, Rowan, Stanly and Union counties), the Supports Waiver which offers services valued at up to \$17,500 per year in the other 95 counties, and the Comprehensive Waiver which offers services valued at between \$17,501-\$135,000 in the other 95 counties. The waivers offer services to individuals with developmental disabilities who would otherwise qualify for services in an Intermediate Care Facility For The Mentally Retarded (ICF/MR) facility. Under the waivers, certain income and asset restrictions governing the base Medicaid program can be amended, including provisions regarding parental or spousal income and assets. There is no entitlement to waiver services, but once an individual begins participating in the waiver, they must continue to participate unless they voluntarily cease their participation, move from NC, or enter an institution.

CMS approves the number of unique individuals who may be served under each waiver each year. If a person ceases to participate during the year, that "slot" is frozen until the next waiver year. A "waiver slot," therefore, represents a single, unique individual to be served in any given waiver year. Many slots were filled years ago and continue to be filled by the same individual; others become vacant during the waiver year and are available for a new participant in the subsequent year. Additional slots become available when the NC General Assembly appropriates increased waiver funding and CMS approves an amendment to a waiver to permit more people to be served.

The attached spreadsheet displays the current distribution of waiver slots by LME. Column 1 displays the distribution of the 187 Supports Waiver slots, ranging from a low of 1 slot in the Crossroads catchment area (Iredell, Surry, and Yadkin Counties) to a high of 23 in the Orange-Person-Chatham catchment area. The Piedmont Innovations Waiver includes services similar to the Supports Waiver, but they do not account for them separately. The PBH waiver currently has 625 slots for their five counties. However, the value of each PBH waiver slot is approximately 18% higher than the comparable value of a slot under the Comprehensive Waiver. Therefore, in column 5 of the attached worksheet, which shows the distribution of Comprehensive Waiver slots, the PBH numbers have been increased to 740 to reflect the number of slots that funding that PBH would purchase under the Comprehensive Waiver. With that adjustment, column 5 displays the current distribution of Comprehensive/Innovations Waiver slots, ranging from a low of 91 in Johnston County to a high of 884 in the Western Highlands Network.

Funding approved by the General Assembly during the 2009 Session will permit the allocation of an additional 686 Supports Waiver slots in the current year and an additional 250 Comprehensive/Innovations Waiver slots. As columns 2 through 4 on the attached worksheet

show, the additional Supports Waiver slots will be allocated among the LMEs in a manner based upon total catchment area population with an adjustment to bring the total number of slots per LME into equity. Following the allocation of these additional resources, each LME participating in the Supports Waiver will have access to 10 slots per 100,000 population.

The current distribution of Comprehensive/Innovation Waiver slots is more varied. On a per capita basis, the current distribution results in a low of 54 slots per 100,000 population in Johnston County to a high of 181 slots per 100,000 population in the Pathways catchment area. In order to equitably distribute slots among LMEs, while also recognizing that the demand for waiver slots exceeds the availability, the Division proposes allocating the new slots on a “modified catch up” formula basis. One-half of the new slots, or 125 slots, will be allocated on a per capita basis. The remaining 125 new slots will be allocated only to those LMEs that are currently under the statewide average of 115 slots per 100,000 population, using a formula that takes into consideration the difference between the LME’s allocation and the statewide average. Under this formula, 11 LMEs would receive additional slots this year, ranging from one additional slot in Albemarle to 40 additional slots for Wake County. The Division would propose to use this “modified catch up” formula each year in the future as new funding becomes available until the slots are more equitably distributed. In addition, as slots become available through turnover in any given year, LMEs that remain below the statewide average would be permitted to fill the slot within their catchment area in the subsequent year while LMEs that are above the statewide average would be required to release the slot for distribution elsewhere. Based upon current LME configuration and the state’s estimated population at July 1, 2009, a total of 994 new slots would be needed following the allocations in the current year to completely equalize the distribution formula. The proposed allocations for SFY 2009-2010, per capita and “catch up,” the resulting slots per 100,000, the number of excess or under-allocated slots per LME and the number of slots required to complete the equitable distribution are displayed in columns 7 through 12 in the attached worksheet.